



**To:** Board of Directors  
**From:** Jack J. Collins  
*Vice President, Rapid Transit Implementation*  
**Date:** April 25, 2012  
**Re:** **Toronto Transit Projects**

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### **EXECUTIVE SUMMARY**

The Board of Directors is being asked to receive and endorse this staff report on moving forward with all four Toronto transit projects – Eglinton, Scarborough, Sheppard and Finch. In moving forward, Metrolinx will use Infrastructure Ontario on all projects, as directed by Treasury Board, to maximize value and increase certainty of on-time, on-budget delivery, subject to the completion of value-for-money analysis on each project. Staff is recommending that construction continue where it is already underway, such as the tunnel launch shaft for the Eglinton Crosstown LRT, and that we move to fulfill the original promise of delivering these projects by 2020.

### **RECOMMENDATION**

#### **RESOLVED:**

1. *THAT*, subject to any approvals required from the Province of Ontario, Metrolinx is authorized to proceed with the implementation of the Toronto Transit Plan as originally approved by Metrolinx on May 19, 2010, consisting of the following projects, (the “Projects”), with the following staging:
  - the Eglinton Crosstown LRT from the Jane Street / Black Creek area to Kennedy Station with an in-service date of 2020,
  - the Scarborough RT / Sheppard LRT maintenance and storage facility, with a construction start of 2013 and substantial completion in 2016,
  - the Scarborough RT replacement and extension to Sheppard Avenue, with a construction start of 2014 and an in-service date of 2019,
  - the Sheppard East LRT from Don Mills Station to east of Morningside Avenue, with a construction start of 2014 and an in-service date of 2018; and,
  - the Finch West LRT from the Toronto-York-Spadina Subway Extension (TYSSE) to Humber College, with a construction start date of 2015 and an in-service date of 2019.
2. *THAT*, Metrolinx staff is authorized to finalize and execute definitive legal agreements with the City and the TTC relating to the funding and implementation of the Projects at a capped contribution of \$8.4 billion in 2010 dollars.
3. *THAT*, the principles outlined in Metrolinx’s letter to the Chair of the Toronto Transit Commission dated January 31, 2012 attached as Appendix I to this report shall be reflected in the definitive legal agreements relating to the funding and implementation of the Projects.

4. *THAT*, subject to positive value-for-money analysis results and Treasury Board approval, Metrolinx will use Infrastructure Ontario for project delivery to the extent feasible in accordance with letter from Ontario Minister of Transportation to Metrolinx Chair dated April 19<sup>th</sup>, 2012 attached as Appendix II, in order to optimize the value for money to the Ontario taxpayer on these transit investments.
5. *THAT*, in conjunction with an IO project delivery approach, Metrolinx staff work with the federal government to seek additional P3 Canada Fund support for these projects.
6. *THAT*, after consultation with the TTC and Infrastructure Ontario, staff report back to the Board with opportunities for early works packages that can advance the projects without reducing overall value-for-money from the preferred delivery approach.
7. *THAT*, Metrolinx funding and implementation of the Projects is contingent on the PRESTO fare card being implemented by the TTC, and,
8. *THAT*, after consultation with the City of Toronto and the TTC, staff report back to the Board with details on the updated budget and scope for the Projects.

## **BACKGROUND**

On March 21-22, 2012, the City Council completed its deliberations on Metrolinx Light Rail Transit Projects for Toronto (Appendix III). Council endorsed an approach which re-affirmed, in large measure, the projects contained in Metrolinx's original plan. The following is a chronology of key changes to the scope of the Projects.

On May 19, 2010, Metrolinx adopted the original plan that included four LRT projects in the City of Toronto including:

- the Eglinton Crosstown LRT from Jane Street to Kennedy Station.
- the Scarborough RT conversion to LRT from Kennedy Station to Sheppard Avenue.
- the Sheppard East LRT from Don Mills Station to east of Morningside Avenue.
- the Finch West LRT from the Toronto-York-Spadina Subway Extension (TYSSE) to Humber College.

On March 31, 2011, the Mayor of Toronto, Minister of Transportation and Chair of Metrolinx signed a MoU for a revised transit plan for Toronto. The MoU included the Eglinton-Scarborough Crosstown transit project, underground from Jane / Black Creek to Kennedy Station, continuing in the Scarborough RT (SRT) alignment to Scarborough City Centre as the responsibility of Metrolinx, and the Sheppard Subway extensions, west to Downsview Station and east to Scarborough City Centre and enhanced bus service on Finch Avenue as the responsibility of the City of Toronto, subject to receiving support from their respective organizations.

On January 31, 2012, the Metrolinx Chair sent a letter to Mayor Ford and TTC Chair Stintz encouraging Mayor Ford and Chair Stintz to confirm their position on a transit plan in Toronto at the earliest possible date. The letter also restates the five principles that guided the negotiations of the MoU between the Province, Mayor and Metrolinx, as they continue to reflect the provincial interest and the mandate given to Metrolinx (the letter is attached as Appendix I).

On February 8, 2012, Council affirmed its support for the Metrolinx original plan, approved by the Metrolinx Board at its meeting on May 19, 2010, with the one exception being Sheppard Avenue East, which was left for decision at a future date following advice from the expert panel.

On March 21-22, 2012, Council considered the report of the expert panel on Sheppard Avenue East. The expert panel recommended that Council proceed with LRT on Sheppard Avenue from Don Mills Station to east of Morningside Avenue. After debate, Council adopted the recommendation and forwarded it to Metrolinx and the Province for review.

On April 19, 2012, Metrolinx received a letter from the Minister of Transportation (Appendix II) reiterating the Provincial policy related to project delivery that is articulated in the Province's long-term infrastructure plan, *Building Together*. As part of this plan, the government adopted a policy of making greater use of AFP through Infrastructure Ontario (IO) to procure the province's infrastructure. The letter notes that all provincial infrastructure projects in excess of \$50 million will be subject to recommendations by the Ministry of Infrastructure to government regarding project delivery and procurement method, and the need to consult with IO to determine whether and how they can assist with procurement. In the letter, the Minister advises that Metrolinx is to develop its revised implementation plan anticipating the use of AFP for project delivery in all cases, subject to the completion of value-for-money analysis on the individual projects and Treasury Board approval.

## ***DISCUSSION***

### *Previous Council Decision*

On February 8, 2012, Council adopted a motion on the Metrolinx Transit Projects in Toronto with a 25-18 vote in favour of a plan that is similar to the original plan approved by the Metrolinx Board at its meeting on May 19, 2010. In summary, the Council motion supports:

- the Eglinton Crosstown LRT from Jane Street to Kennedy Station.
- the Scarborough RT conversion to LRT from Kennedy Station to Sheppard Avenue.
- the Finch West LRT from the Toronto-York-Spadina Subway Extension (TYSSE) to Humber College.

The one exception is transit on the Sheppard Avenue corridor, for which council directed the creation of an expert panel to advise Council, not later than March 21, 2012.

After completion of a detailed evaluation of options, the Panel concluded that LRT is the recommended mode of transit for Sheppard Avenue East. With the exception of Dr. Gordon Chong, a strong consensus existed among the Panel members that the LRT was superior to the subway options presented, across the range of assessment criteria under consideration. A summary of the Expert Panel Report is attached in Appendix IV.

After receipt and debate of the report, on March 22, 2012, Council recommended the LRT option as its preferred transit investment for Sheppard Avenue East.

### *Metrolinx Staff Comment*

The recommended plan endorsed by City Council in large measure returns to the original Metrolinx plan endorsed by the Metrolinx Board on May 19, 2010. The Metrolinx approved plan included construction of four LRT projects and one York Region Viva BRT program in corridors identified as Top 15 priorities in the Metrolinx Regional Transportation Plan, The Big Move. As the largest single investment in public transit in Canadian history, the plan represented an aggressive, bold and doable program. The plan included proceeding with three projects immediately, Sheppard LRT, Eglinton LRT and York Viva, with Scarborough RT and Finch LRT commencing construction in 2015.

The plan endorsed by City Council represents a departure from the MoU that was negotiated with the Mayor of Toronto. The MoU provided that Metrolinx would deliver a fully grade separated LRT along the Eglinton-Scarborough RT alignment from the Jane/Black Creek area to McCowan in the Scarborough City Centre, while the City would deliver subway extensions in the Sheppard corridor, and enhanced bus service on the Finch corridor. However, the MoU obligated all parties to receive support from their respective organizations, which for the Mayor, meant that the plan needed endorsement from Council. This has not been achieved.

Metrolinx staff recommends that the Board support City Council's endorsement of the revised plan, which is reflective of the original plan endorsed by the Metrolinx Board of Directors. The revised transit plan for Toronto evaluated against Metrolinx stated principles achieves the following:

- ✓ consistent with regional needs identified in The Big Move:
  - links regional urban growth centres
  - provides new east west connections
  - connects communities of social need
  - locates transit to support future growth
  - high level of readiness relative to other regional projects
  - centres of population and employment served.
- ✓ each of the four Toronto light rail projects are identified as a Top 15 Priority.
- ✓ sound transit planning principles are met with previous Metrolinx studies and approved Environmental Assessments by City Council and Ministry of Environment for all four projects.
- ✓ meets \$8.4 billion provincial funding and asset ownership and control criteria that allows for amortization of costs.
- ✓ minimizes penalties and avoids sunk costs.
- ✓ minimizes cost of delay to light rail vehicle contract, but actual cost impact still needs to be negotiated with vehicle supplier.
- ✓ impacts to traffic are limited:
  - Scarborough fully separated from traffic
  - Sheppard and Finch to be widened; some intersection adjustments required
  - Along Eglinton, east of Leslie, all general use lanes to be maintained; HOV lanes will be removed to accommodate the LRT in median; some intersection adjustments required.

### *Budget and Scope*

#### **Eglinton Crosstown LRT**

Over the past year, significant progress has been made on the implementation of the Eglinton Crosstown LRT. Major project delivery achievements to date include:

- initiated construction on the west tunnel launch site at Eglinton Avenue West and Black Creek Drive;
- completed design of the west tunnel from Black Creek drive to Yonge Street;
- initiated design for seven stations between Black Creek Drive and Yonge Street;
- held public consultations for Bathurst Station, Dufferin Station, Eglinton West (Allen) Station;
- purchased property for the proposed vehicle maintenance and storage facility on the former Kodak Lands;
- conducted extensive geotechnical testing and investigation work;
- ordered the tunnel liners;

- ordered the tunnel boring machines; and
- ordered the light rail vehicles.

The approved schedule for the Eglinton Crosstown LRT is 2010-2020. As noted above, construction and engineering are well underway for the project and it is expected to be completed on the 2020 timeline.

The project has a total length of 19 kilometres, of which approximately 11 kilometres will be located in a tunnel. The line has a forecasted 2031 ridership of 5,400 people per hour in the peak direction (PPHPD) in 2031. Forecasted passenger volumes are within the range of capacity for a LRT system.

The previous budget for Eglinton was estimated at \$4.9 billion in 2010 dollars. These costs will need to be reviewed to reflect potential changes to scope, including a grade separation option through the Black Creek area. Metrolinx staff plan to report back to the Board of Directors at the June meeting on the proposed alignment in the Black Creek area and the western terminus for this phase of the project.

### **Scarborough RT**

This project involves the replacement of the Scarborough RT with a LRT and its extension from McCowan to Sheppard. The total length of the project is 9.9 kilometres and it is forecasted to carry approximately 10,000 pphpd, within the capacity of a LRT.

Major project delivery milestones to date for the Scarborough RT include completion of design for the replacement of the SRT to 30 percent and completed design for Kennedy Station to 10 percent. Design for the extension component of the SRT, between McCowan and Sheppard will need to be restarted.

The previous plan included a construction schedule for the Scarborough RT of 2015-2020. The schedule allows for the SRT to be in service during the Pan Am/Parapan Games in the summer of 2015, after which the service would be shut down for construction. Planning, design and engineering work will be completed prior to construction in order to minimize down time.

The revised plan will move up SRT completion by one year from 2020 to 2019. This would be accomplished by starting work on the extension of the line between McCowan and Sheppard as a first phase, allowing the existing service to continue until after the Pan Am/Parapan Games are completed.

The budget for the SRT was estimated at \$1.8 billion in 2010 dollars.

### **Sheppard East LRT**

This project involves a new LRT line from the Don Mills station on the Sheppard subway line to Morningside, a distance of 12 kilometres. Forecasted ridership to 2031 is 3,000 pphpd, well within the capacity of a LRT.

Metrolinx and the TTC are currently completing construction of the Agincourt grade separation at Sheppard Avenue and the GO Stouffville rail line. The grade separation target completion date is June 2012. In addition, Metrolinx acquired property for a combined SRT and Sheppard East LRT maintenance and storage facility at Conlins Road. Site preparation work, including the relocation of underground utilities, has been completed. Finally, procurement for the maintenance facility, which was to be a design-build-finance-maintain project in collaboration with Infrastructure Ontario, is currently on hold and will need to be reactivated.

The original approved plan included a construction schedule for the Sheppard East LRT of 2010-2014. With the exception of work at the Agincourt grade separation and site grading of the Conlins yard property, no work has progressed on this project for more than a year.

The revised plan includes working with the IO delivery model, subject to a value-for-money analysis and Treasury Board approval, by 2018.

The budget for the project was estimated at \$950 million in 2010 dollars, including a one-third contribution from the federal government.

### **Finch West LRT**

The original approved plan called for implementation of the Finch West LRT project in the 2015-2020 period. This project involves a new LRT line from the Finch West station on the Toronto-York Spadina Subway extension to Humber College, a distance of 11 kilometres. Forecasted ridership to 2031 is 2,800 pphpd, well within the capacity of a LRT.

Metrolinx and the TTC will need to review the current status of all Finch West LRT work, evaluate and update the cost estimates and prepare a value for money analysis for an IO delivery model. The anticipated completion date will be in 2019.

### *Project Staging*

### **Considerations**

The Eglinton Crosstown LRT is currently under construction. Ensuring construction momentum is not lost on this critical project is an essential consideration. Time is required to bring additional project management, design and engineering resources on board. Maintaining schedule on Eglinton is a key consideration, other considerations include:

- Vehicle deliveries
  - the ability to receive and test vehicles will reduce delay and other costs associated with the vehicle contract
- Industry capacity in responding to multiple procurements
  - we must be mindful of industry capacity to respond to multiple concurrent opportunities
  - engineering may be a challenging area, although the size and scale of these offerings is expected to draw resources from around the world
- SRT replacement is a priority
  - The SRT has high, established ridership; it is near the end of its economic life and in need of replacement. Project acceleration has benefits and staging can be done to avoid any disruptions during the Pan Am / Parapan Games period
- Deliver all projects through Alternative Finance and Procurement (AFP)
  - Provincial policy requires making greater use of Alternative Financing and Procurement (AFP) through IO to procure the province's infrastructure, and in particular that provincial projects over \$50 million be considered for AFP delivery, subject to value-for-money analysis and Treasury Board approval.

## **Staff Recommended Project Staging**

It is recommended that the Projects be staged for construction in the following manner:

### **Eglinton Crosstown LRT:**

- Continue with Design Bid Build tenders for tunnel construction starting in late summer of 2012
- Proceed with IO delivery for the balance of the Eglinton project
- Projected in-service date of 2020

### **Scarborough RT / Sheppard East LRT Yard:**

- Continue with the Design-Build-Finance-Maintain (DBFM) selection process started last year
- Provides early storage and testing site for vehicles
- Minimizes delays to vehicle supplier
- Avoids break fees if procurement is cancelled
- Projected in-service date of 2015 (Phase 1 for vehicle deliveries), 2016 (substantial completion)

### **Sheppard East LRT:**

- Proceed with IO delivery
- Projected in-service date of 2018

### **Scarborough RT:**

- Proceed with IO delivery
- Separate early works as Design-Bid-Build (DBB) for track along Sheppard Avenue, from the yard to Progress Avenue for vehicle testing
- Initial construction would be on extension from McCowan to Sheppard Avenue
- Existing system shut down for replacement after Pan Am / Parapan Games
- Projected in-service date of 2019

### **Finch West LRT:**

- Complete design work to 30% to facilitate AFP procurement
- Build underground access connections to Toronto-York-Spadina Subway extension (TYSSE) immediately
- Projected in-service date of 2019

### ***Return to the Board***

Considering the foregoing, staff recommends proceeding with the necessary work to implement the Projects, and that after further consultation with the City of Toronto, TTC and Infrastructure Ontario, reporting back to the Board with details on any updates to project budget and scope.

In addition, after consultation with the TTC and Infrastructure Ontario, staff will report back to the Board with opportunities for early works packages that can advance the projects without reducing overall value-for-money from the preferred delivery approach.

### *PRESTO Implementation*

The region-wide implementation of the PRESTO fare card is an important goal for Metrolinx. The electronic fare card is now in place on all GO Transit services and municipal operators throughout the GTHA. Good progress has been made on a Master Agreement for the implementation of PRESTO across the entire TTC system. Moving forward with the PRESTO fare card system should be a condition of any agreement with the City and the TTC.

### *Alternative Finance and Procurement*

Infrastructure Ontario's alternative financing and procurement (AFP) model has a proven track record of successfully delivering large complex infrastructure projects, on time and on budget.

The IO model allows for the private sector to design and construct the facility, subject to strict parameters and required outcomes. In the end, the benefits of private sector innovation can be incorporated into a public works project that remains a public asset after construction completion. Given this strong record, IO is participating in the procurement of the Metrolinx Air Rail Link Spur project (design-build-finance), the Ottawa LRT project (design-build-finance-maintain) and the Waterloo LRT project (design-build-finance-operate-maintain). This is consistent with the province's long-term infrastructure plan, *Building Together*.

AFP projects are guided by five key principles including transparency, value-for-money, public ownership and public control, and that public interest is paramount. With projects as significant as these Toronto transit projects, Metrolinx must look at all delivery options in order to achieve the best value for taxpayer money.

Metrolinx is prepared to proceed with the IO delivery model, with the exception of some early contract packages on Eglinton Crosstown, such as tunnel boring machines, tunneling and early works contracts, pending the successful completion of value-for-money assessments for each of the projects and subject to approvals required by the Metrolinx Board and Province.

The delivery model will not affect the customer experience as each of the lines will be operated as seamless components of the TTC network.

### **BUDGET POSITION**

Subject to Provincial Cabinet approval to reaffirm the Toronto Transit Plan as modified by more definitive agreements, the maximum budget authorized for the plan is \$8.4 billion in 2010 dollars.

Respectfully submitted,

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Vice President, Rapid Transit Implementation  
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### **Attachments**

Appendix I – Metrolinx letter to TTC Chair (January 31, 2012)  
Appendix II – Minister's Letter to Metrolinx Chair (April 19<sup>th</sup>, 2012)  
Appendix III – City Council Resolutions (February 8 and March 21-22, 2012)  
Appendix IV – Toronto City Council Sheppard Avenue Expert Panel Report Summary





**METROLINX**

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**Office of the Chair**

J. Robert S. Prichard

416-874-5906

Robert.Prichard@metrolinx.com

January 31, 2012

Mayor Rob Ford  
Office of the Mayor  
Toronto City Hall  
100 Queen St. West, 2<sup>nd</sup> Floor  
Toronto, ON  
M5H 2N2

Councillor Karen Stintz  
Toronto City Hall  
100 Queen Street West  
Suite B32  
Toronto, ON  
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Your Worship Mayor Ford and Chair Stintz:

I write with respect to the Metrolinx transit projects in Toronto. My purpose in writing is to be clear on our approach to the transit projects and to give you guidance as you and your colleagues on City Council and the Toronto Transit Commission debate these issues.

At the outset, however, I would like to restate the principles that guided our negotiations a year ago and led to the Memorandum of Understanding (MoU), as these continue to reflect the provincial interest and therefore the mandate given to Metrolinx:

1. **Sound Regional Transit Planning:** Any projects to be paid for by the Province must achieve sound transportation objectives for the City and the region, and reflect the goals and principles of our regional transportation plan, The Big Move.
2. **Budget and Cost:** The maximum budget for the provincial contribution to the plan remains fixed at the original \$8.4 billion (2010 dollars). Any plan must be cost-effective and involve no cost increases to the Province over the original budget, in terms of the total provincial investment, the cash flow required in each year and the Province's ability to amortize its investment over the life of the assets. Any additional costs must be paid by the City or other partners.
3. **Penalties:** The Province is not prepared to pay any penalties related to contractual commitments or the loss of investments that result from changes sought by the City. These costs must be borne by the City just as the penalty costs and losses incurred by virtue of the MoU remain the City's responsibility.

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4. **Cost of Delay:** Delays in the delivery of results to residents are not acceptable. In the event that further delays occur in the delivery of projects, any delay costs must be assumed by the City.
5. **Traffic:** Any plan should minimize adverse impacts on traffic to the extent reasonably possible.

Metrolinx and the TTC, with TTC acting as the agent for Metrolinx, are making good progress with various elements of the Eglinton-Scarborough Crosstown LRT line including: acquiring tunnel boring machines, buying land on Eglinton for the vehicle maintenance and storage facility, preparing to initiate tunneling on the central part of the line, acquiring and refining the LRT vehicles and doing detailed planning. This progress and current work – located along the westernmost portion of the Crosstown line – is consistent with both the previous “transit city” plan as well as the “MoU” line.

We will soon have to choose between these competing proposals – namely at or below grade, east of Laird Drive to Kennedy Road. In order to continue with this important project we require the support of, and clarity from, the City of Toronto. As such, we are concerned that the MoU has not yet been confirmed by Toronto City Council. Our concern has been sharply elevated in recent days by widely reported public statements from TTC Chair Karen Stintz and other members of Council suggesting Council will reject the terms of the MoU and seek a different transit plan with Metrolinx.

Absent Council's endorsement of the MoU, the City is not bound by the plan and it is increasingly difficult for Metrolinx to implement it. We believe that both you and Council must soon confirm the direction the City wishes to take.

Metrolinx remains committed to moving ahead with major transit projects in partnership with the TTC and the City of Toronto. Our citizens want results and we are committed to delivering them with you. We ask that you confirm the City's position at the earliest possible date consistent with your processes. My colleagues and I remain available to meet with you at your convenience to review these issues and move forward.

Warm personal regards,



J. Robert S. Prichard  
Chair

Encl.

c: Joe Pennachetti, City Manager, City of Toronto  
Gary Webster, Chief General Manager, Toronto Transit Commission  
Bruce McCuaig, President and Chief Executive Officer, Metrolinx  
Bob Chiarelli, Minister of Transportation, Minister of Infrastructure

**Ministry of Infrastructure**

**Ministry of  
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Mr. J. Robert S. Prichard  
Chair  
Metrolinx  
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A handwritten signature in blue ink, appearing to be 'JRP'.

April 19, 2012

Dear Mr. Prichard:

I am writing with regard to Metrolinx's development of a revised rapid transit plan for Toronto following the recent Toronto Council motions on February 8 and March 21-22, 2012.

Following the Toronto City Council motions supporting the implementation of Light Rail Transit (LRT) projects, the Province asked Metrolinx to consider the impacts of Council's recommendation and submit a revised implementation plan for consideration by the provincial Cabinet.

To help inform the Metrolinx Board recommendations, I would like to reiterate certain requirements for Metrolinx asset ownership and project delivery that were approved by Cabinet in April 2009 in relation to transit projects. These requirements reflect the Province's commitment as the primary funding source for the projects and are intended to ensure that Metrolinx maintains ownership and control and provides value-for-money to Ontario's taxpayers and transit users. Specifically, Metrolinx is directed to

- o Implement these four priority regional transit projects with a business model that respects the imperatives of the accounting requirements of provincial ownership, namely the Public Sector Accounting Board (PSAB) rules.
- o Work with Infrastructure Ontario (IO) to develop cost and scope estimates and identify a procurement model for these four transit projects assigned to it.

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Further, in forming its revised plan, to accommodate the City of Toronto's recently-adjusted public transit program, Metrolinx is asked to take into account Provincial policy related to project delivery. In June 2011, the Province released a long-term infrastructure plan, *Building Together*. As part of this plan, the government adopted a policy of making greater use of Alternative Financing and Procurement (AFP) through IO to procure the province's infrastructure. Under this new policy, all provincial infrastructure projects in excess of \$50 million will be subject to recommendations by the Ministry of Infrastructure to government regarding project delivery and procurement method. Entities undertaking provincial infrastructure projects are required to consult with IO to determine whether and how they can assist with procurement.

As part of the general mandate of IO, the agency is tasked with undertaking the analysis needed to enable the provincial Treasury Board to assign projects for AFP delivery. IO is required to undertake the appropriate value for money analysis and report back to the Board prior to commencing procurement, with recommendations for the procurement model, timelines, budget and schedule.

Accordingly, as provincial funding for each of the projects being considered for implementation under the revised Metrolinx LRT plan exceeds \$50 million, Metrolinx must develop its revised implementation plan, subject to the anticipated use of AFP for project delivery for the projects not yet procured. As with all AFP projects, the decision to proceed with AFP or traditional IO-led procurement delivery will be a decision of and subject to approval by Treasury Board.

I appreciate the work undertaken by Metrolinx on advancing rapid transit in the Greater Toronto and Hamilton Area and look forward to receiving Metrolinx's recommended plan, in accordance with our directions herein for moving forward with the implementation of rapid transit projects in Toronto.

Yours sincerely,



Bob Chiarelli  
Minister of Transportation  
Minister of Infrastructure

c: Minister Dwight Duncan  
David Livingston  
Bruce McCuaig  
Carol Layton  
Drew Fagan  
Steve Orsini



**Joseph P. Pennachetti**  
City Manager

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April 19, 2012

Mr. Bruce McCuaig  
President and Chief Executive Officer  
Metrolinx  
20 Bay St. Suite 600  
Toronto, ON M5J 2W3

Dear Mr. McCuaig

Toronto City Council approved the Metrolinx 5 in 10 Light Rail Transit projects at the February 8 and March 21-22, 2012 Special meetings of Council, as follows.

"Toronto City Council affirm its support for the light rail transit (LRT) priority plan for Toronto consistent with the Metrolinx "5 in 10" plan as presented to the Metrolinx Board at its meeting on May 19, 2010 and the early implementation of the following projects:

- The Finch West LRT from the Spadina Subway extension to Humber College.
- The Eglinton Crosstown LRT from Jane Street to Kennedy Station.
- The Scarborough RT conversion to LRT from Kennedy Station to Sheppard Avenue, with an extension to the Malvern Town Centre as funds become available."

"City Council confirm that Light Rail Transit (LRT) is the preferred rapid transit mode for Sheppard Avenue East from Don Mills to Morningside, and confirm the Sheppard Avenue East LRT as a priority line within the approved Metrolinx "5 in 10" plan."

Attached for your information are the complete Council directives from the two special meetings on transit expansion.

The City looks forward to continued discussion with Metrolinx to achieve a Master Agreement for the approved rapid transit projects in Toronto, in addition to pursuing a long term transit and funding strategy that serves the needs of Toronto and the region.

Yours truly,

A handwritten signature in black ink, appearing to read "Joe Pennachetti", written over the printed name and title.

Joseph P. Pennachetti  
City Manager

## **Attachment – Toronto Council Directives**

### **Special Meeting of City Council, February 8, 2012**

#### **CC17.1 Metrolinx Transit Projects in Toronto**

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CC17.1>

#### **City Council, on February 8, 2012, adopted the following:**

**1)** Toronto City Council affirm its support for the light rail transit (LRT) priority plan for Toronto consistent with the Metrolinx “5 in 10” plan as presented to the Metrolinx Board at its meeting on May 19, 2010 and the early implementation of the following projects:

- The Finch West LRT from the Spadina Subway extension to Humber College.
- The Eglinton Crosstown LRT from Jane Street to Kennedy Station.
- The Scarborough RT conversion to LRT from Kennedy Station to Sheppard Avenue, with an extension to the Malvern Town Centre as funds become available.

**2)** Toronto City Council affirm its support for the continued discussions between Metrolinx and the Toronto Transit Commission (TTC) regarding the TTC delivery, operations and maintenance of the light rail transit priority projects on behalf of Metrolinx.

**3)** Toronto City Council direct appropriate City staff to communicate to the Province of Ontario and Metrolinx its support for the continued discussions between Metrolinx and the Toronto Transit Commission over the light rail transit plan and the early implementation of the priority projects by the TTC on behalf of Metrolinx.

**4)** Toronto City Council authorize the City Manager and all appropriate staff to execute any and all agreements with Metrolinx for funding and implementation of the above.

**5)** Toronto City Council authorize the Toronto Transit Commission to direct staff to enter into discussions with Metrolinx to study the future feasibility of the following transit projects:

- Extension of the TTC Sheppard Subway line westward from the current Sheppard Station to the current Downsview Station, thereby relieving ridership pressure off of the eastern portion of the Yonge-University-Spadina Subway line.
- Extension of the Sheppard LRT to end at the Toronto Zoo.
- Extension of the TTC Bloor-Danforth Subway line from Kennedy Subway Station north-eastward to the Scarborough Town Centre
- Extension of the Eglinton Crosstown line from Jane to Pearson Airport including a study of its alignment.
- The construction of a Downtown Relief Line.

**6)** City Council request the City Manager to establish an expert advisory panel regarding transit on Sheppard Avenue that will report back to a Special Meeting of Council no later than March 21, 2012.

The advisory panel, incorporating a gender and racial equity lens, will advise City Council on the most effective means of delivering rapid transit to the greatest number of riders with the funds currently allocated and with projected funds, and will report on other potential funding sources that could augment funds for a public transportation project on Sheppard; and further, Council request the City Manager to request the following participants for the expert advisory panel:

- Senior representatives from Metrolinx
- Senior representatives from the Toronto Transit Commission

**Attachment – Toronto Council Directives**

- Senior representatives from the Toronto Board of Trade
- Senior representatives from the Greater Toronto CivicAction Alliance
- David Crombie
- Eric Miller
- Dr. Gordon Chong
- Senior representatives from the Toronto Women's City Alliance
- Senior representatives from Social Planning Toronto, and
- A representative of the Sheppard East Village Business Improvement Association.

**7)** City Council support the early implementation of the Finch West LRT and direct the City Manager, in consultation with the Chief General Manager, Toronto Transit Commission, to report back to City Council on the future feasibility and pre-conditions required for a subway on Finch West, such report to include the cost and timing of construction.

**8)** City Council direct the City Manager to forward a letter to the Federal and Provincial governments requesting a long-term transit funding agreement for future transit infrastructure, operation and maintenance costs for the City of Toronto.

**9)** City Council refer the following motion to the expert advisory panel for consideration:

Moved by Councillor Pasternak:

That:

1. City Council request the City Manager, the Chief General Manager, Toronto Transit Commission, and the Deputy City Manager and Chief Financial Officer, in conjunction with Metrolinx, to report to the TTC and City Council on a long-term transit strategic funding solution for future transit projects and include but not be exclusive to completing the Sheppard Avenue subway from Don Mills Station to Scarborough Town Centre and from Downsview Station to Yonge and Sheppard.
2. City Council direct the City Manager to report to the Executive Committee on a strategic path for disposing of non-performing real estate assets used for TTC purposes, such report to address whether revenues from such disposals could be directed to funding the Sheppard Avenue subway plan, and the feasibility of allocating 20 percent of all net proceeds from the sale of City of Toronto assets to new subway and above-grade LRT construction.
3. Should savings be realized on the Eglinton Cross Town line as a result of confirmation by City Council to have a portion of the Eglinton East line constructed at or above grade, City Council request the Province of Ontario and Metrolinx to apply approximately \$650 million of the savings to the extension of the Sheppard subway east from Don Mills Station to Victoria Park as identified in the KPMG report entitled "Sheppard Subway Extensions: Analysis of Funding Options for Toronto Transit Infrastructure Limited and the City of Toronto".
4. City Council request the Chief General Manager, Toronto Transit Commission, to report to Council on the feasibility of allocating 20% of the TTC annual capital budget to the design and building of new subway and above-grade LRT track.

**Attachment – Toronto Council Directives**

5. City Council direct the Deputy City Manager and Chief Financial Officer to report to Council on the implications of dedicating not less than 50% of the City's future annual surplus to the construction of new subway or above-grade LRT construction.
6. City Council affirm a goal of creating no less than one kilometre of new subway or above-grade LRT routes on an annual basis.
7. City Council request the Mayor to urge the Federation of Canadian Municipalities to work with the federal government on a national strategy for funding urban and regional transit.
8. City Council request the Deputy City Manager and Chief Financial Officer, in consultation with the Chief General Manager, Toronto Transit Commission, to commence negotiations on a federal funding package for our next generation of urban transit.



## **Attachment – Toronto Council Directives**

### **Special Meeting of City Council, March 21-22, 2012**

#### **CC20.1 Report from the Expert Advisory Panel Regarding Transit on Sheppard Avenue East.**

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CC20.1>

#### **City Council on March 21 and 22, 2012, adopted the following:**

- 1)** City Council confirm that Light Rail Transit (LRT) is the preferred rapid transit mode for Sheppard Avenue East from Don Mills to Morningside, and confirm the Sheppard Avenue East LRT as a priority line within the approved Metrolinx "5 in 10" plan.
- 2)** City Council request the City Manager to develop a communications plan which outlines the significance of transit's role in city building, on Sheppard Avenue East and across the City.
- 3)** City Council request that in addition to the currently committed funding, the federal and provincial governments provide funding for the following projects:
  - a. the extension of the SRT conversion from Sheppard Avenue East to Malvern Town Centre; and
  - b. the extension of the Malvern LRT to University of Toronto Scarborough Campus.
- 4)** City Council direct the City Manager to report to the October 2, 2012 City Council meeting on:
  - a. the results of the requests of the federal and provincial governments in Part 3 above; and
  - b. the feasibility of establishing a Toronto Transit Infrastructure Reserve Fund.
- 5)** City Council request the Chief Executive Officer, Toronto Transit Commission, in consultation with the City Manager, to develop and conduct a broad public consultation process to discuss the City's transit needs over the next 50 years in order to reach a public consensus on long term transit improvements and associated funding, such consultation to include:
  - a. a ranking of needed City-wide transit improvements;
  - b. options that include, but are not limited to, subways, LRT's and bus ways; and
  - c. capital and operating cost estimates for each alternative.
- 6)** City Council direct the City Manager to prepare a long term Rapid Transit Funding Strategy, for consideration by Executive Committee and City Council by the fall of 2012, that outlines a diverse array of public and private revenue tools that could be implemented in the City of Toronto to generate sustainable revenue dedicated to financing continuous rapid transit expansion, such strategy to take into consideration the results of the public consultation from Part 5 above.
- 7)** City Council direct the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission, to advise City Council on the availability of subway environmental assessment studies for the North York Relief Line (Sheppard Subway West) which would run between Downsview Station and Yonge and Sheppard Station.
- 8)** City Council direct the City Manager to advise on whether subway construction can be commenced based on the study referred to in Part 7 above.
- 9)** City Council direct that if a new study for the North York Relief Line must be commenced, the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission, report back

## **Attachment – Toronto Council Directives**

to City Council on a proposal to move forward with an environmental assessment for a North York Relief Line (Sheppard Subway West).

**10)** City Council request the Budget Committee to consider and advise City Council on the future funding of rapid transit projects.

**11)** City Council request the Economic Development Committee to consider and advise City Council on the future economic benefits of rapid transit projects.

**12)** City Council refer the following Recommendations 2 and 3 contained in the report (March 15, 2012) from the Expert Advisory Panel Regarding Transit on Sheppard Avenue East to the City Manager for a report back on a comprehensive transit plan as part of the Official Plan update:

"2. City Council:

a. Request the province, through Metrolinx, to accelerate the preparation of the investment strategy for the "Big Move" transit expansion plan.

3. City Council request the:

a. City Manager to develop, for Council's consideration and approval, a comprehensive transit plan, that:

- i. is consistent with Metrolinx's Big Move;
- ii. integrates equitable economic development and other city-building strategies;
- iii. recognizes the context of the current 5 year Official Plan review; and
- iv. can ultimately be woven into the City's Official Plan.

b. City Manager to develop a comprehensive public consultation process that provides residents and businesses an opportunity to participate and inform the development of a sustainable transit plan, including funding options, for the City of Toronto.

c. City Manager to develop an intergovernmental strategy in support of a sustainable transit plan; working with the Federal and Provincial governments (including P3 project delivery), along with appropriate municipal associations (e.g. Federation of Canadian Municipalities), to seek a commitment to the type of long-term tri-partite funding commitment discussed in the report (March 15, 2012) from the Expert Advisory Panel Regarding Transit on Sheppard Avenue East.

**13)** City Council refer the following motions to the City Manager for consideration in the development of his comprehensive transit plan and funding strategy:

a. Parts 2a, 2b, 3b, 3c, 4 and 5 of the motion by Councillor Mike Del Grande:

"2. City Council commit to a program of continuous and ongoing expansion of Toronto's rapid transit network using dedicated City revenue tools and partner funding, when the latter is available, as follows:

- a. the City will commit to perpetual funding for rapid transit expansion of up to \$100 million annually from dedicated City revenue tools; and
- b. the City will solicit Provincial, Federal and private sector partners to leverage City funding to facilitate faster and more extensive expansion of the rapid transit network.

**Attachment – Toronto Council Directives**

3. City Council direct the City Manager to establish a Rapid Transit Planning Office with a mandate to assess Toronto's ongoing rapid transit needs, develop plans, lead and manage the ongoing expansion of rapid transit infrastructure in order to help reduce congestion and commuting times in Toronto; the Rapid Transit Planning Office to work co-operatively with City of Toronto's Finance, Planning and Transportation Divisions, the Toronto Transit Commission, Metrolinx, Infrastructure Ontario and Public Private Partnerships Canada as well as other potential partners to:
  - a. assess and prioritize, on an ongoing basis, Toronto's existing and emerging rapid transit needs, including:
    - i. a subway connection from the Yonge-Sheppard Station to the University-Spadina-York University line;
    - ii. a Downtown Relief Line;
    - iii. rapid transit service for the Waterfront and Portlands;
    - iv. an eastward extension of the Sheppard Line to Malvern and the Toronto Zoo;
    - v. a westward extension of the Bloor-Danforth Line to Sherway Gardens; and
    - vi. additional North-South routes along major highway, rail or hydro rights of way; and
  - b. develop and deliver future rapid transit expansion projects to address these priorities.
4. City Council direct that the Rapid Transit Planning Office be funded initially with \$10 million consisting of funds to be solicited from the Provincial and Federal governments and the City's contribution to be recovered from future parking levy revenues.
5. City Council direct the City Manager to prepare, as part of the 2013 Operating Budget, a new revenue tool in the form of a non-residential parking levy that would generate up to \$100 million per year on an ongoing basis and that all revenues from this levy be used to create a Rapid Transit Legacy Fund dedicated to building rapid transit infrastructure."
- b. by Councillor Giorgio Mammoliti:

"That City Council request the Federal Government to start negotiations immediately with the City of Toronto on the potential funding from the Public Private Partnership Fund for subways in the City of Toronto."
- 14) City Council authorize the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission, to enter into a Master Agreement on behalf of the City with Metrolinx and the Toronto Transit Commission, to implement City Council's decisions in regard to transit expansion, including without limitation, all City Council decisions regarding transit expansion on Sheppard Avenue, Eglinton Avenue, Finch Avenue and the Scarborough RT; and City Council authorize the City Manager to enter into any agreements or documents between the City, Metrolinx and any other parties as may be required, desirable or necessary, in relation to the implementation of such City Council decisions, all on such terms and conditions as are approved by City Council at its February 8, 2012 and March 21 and 22, 2012 City Council meetings, and as are satisfactory to the City Manager, in consultation with the Deputy City Manager and Chief Financial Officer and any other relevant official, and in a form acceptable to the City Solicitor.

## Toronto City Council Sheppard Avenue Expert Panel Report Summary

As noted above, the expert panel was formed after the February 8, 2012 Council meeting. The panel's mandate was to:

"...advise City Council on the most effective means of delivering rapid transit to the greatest number of riders with the funds currently allocated and with projected funds, and will report on other potential funding sources that could augment funds for public transportation on Sheppard..."

Members of the panel included the following:

- David Crombie            Chair, Toronto Lands Corporation
- Professor Eric Miller   Director, Cities Centre, University of Toronto
- Dr. Gordon Chong       CEO, Toronto Transit Infrastructure Ltd.
- Mitzie Hunter           CEO, Greater Toronto CivicAction Alliance
- Prabha Khosla           Chair, Toronto Women's City Alliance
- Israt Ahmed            Community Planner – Scarborough, Toronto Social Planning
- Ernie McCullough       Executive Director, Sheppard East Village BIA

Metrolinx and TTC provided senior staff support to the panel (Jack Collins, Vice-President, Rapid Transit Implementation was the Metrolinx representative), in order to provide background facts and information to assist the panel in its deliberations. Metrolinx staff was not formal members of the expert panel.

The report of the panel was published on March 15, 2012. The panel considered three options for evaluation against nine separate criteria. The options included:

- LRT from Don Mills to east of Morningside Avenue,
- subway from Don Mills to Scarborough Centre, and
- a hybrid of subway from Don Mills to Victoria Park and LRT from Victoria Park to east of Morningside Avenue.

These options were measured against three broad groups of criteria, including:

### *Funding and Economic Development*

- **Economic Development**: consider consistency with the City's Official Plan, including corridor density, population and employment growth plans. Other factors to consider include relieving the economic costs of gridlock, supporting economic uplift (i.e. job creations), in addition to associated impacts on property values in the area.
- **Cost effectiveness and fiscal sustainability**: consider minimizing short and long term operating and capital costs of the project including the costs of the state of good repair. The option must also consider the long term fiscal sustainability of the transit system as a whole.
- **Timeframe**: meet the timelines required to provide a clear response to the provincial directive.

### *Transit Service*

- **Ridership**: provide the necessary capacity to meet expected ridership demand in 2031.
- **Network Connectivity**: provide a transit line that supports better connections with the transit system, improves overall access and network capacity.
- **Level of Service**: consider the door to door travel time of the end users, including out-of-vehicle time (walk, wait and transfer times) in addition to in-vehicle time.

### *Sustainability and Social Impact*

- **Equity and Accessibility**: contribute to improved equity and accessibility across several dimensions including gender, income, race, age, and ability, in order to improve:
  - social cohesion and access to opportunity;
  - transit safety and mobility;
  - end user affordability (e.g., fares);
  - equity in access to rapid transit across the city
- **Environmental Sustainability**: support long term environmental sustainability objectives, including addressing resource and environmental challenges such as climate change and higher gas prices, while also supporting healthy and vibrant communities.
- **Community impact**: consider the impact on the local community taking into account:
  - construction timelines
  - community acceptance of local intensification
  - impacts on housing affordability
  - other impacts on residents and businesses (i.e., traffic, place-making potential, etc.)

The Panel assessed each option according to the nine criteria and scored the options on a scale of 1 to 5 (1 = lowest, 5 = highest). The Panel also weighed each criteria group. The option with the highest score provides the best transit option for the Sheppard Avenue east corridor based on the assessment criteria determined by the Panel.

**Summary Table of Panel Scores**

Criteria	<b>Option A:</b> LRT: Don Mills to Morningside	<b>Option B:</b> Subway: Don Mills to Scarborough Centre	<b>Option C:</b> Subway: Don Mills to Victoria Park LRT: Victoria Park to Morningside
<b>Funding and Economic Development</b>			
Economic development	3.71	4.14	3.57
Cost effectiveness and fiscal sustainability	4.43	2.14	2.57
Timeframe	5.00	1.86	2.29
<b>Transit Service</b>			
Ridership	4.57	2.29	2.71
Network connectivity	4.71	3.14	3.29
Level of service	4.14	3.57	3.29
<b>Sustainability and Social Impact</b>			
Equity and accessibility	4.57	3.14	3.14
Environmental sustainability	4.14	3.57	3.43
Community impact	3.86	3.57	2.86
Total Unweighted Score (out of 45)	39.14	27.43	27.14
<b>Total Weighted Score (out of 100)</b>	<b>87.3</b>	<b>59.3</b>	<b>59.5</b>

After completion of a detailed evaluation of options, the Panel concluded that LRT is the recommended mode of transit for Sheppard Avenue east. With the exception of Dr. Gordon Chong, a strong consensus exists among the Panel members that the LRT is superior to the subway options presented, across the range of assessment criteria under consideration.

After receipt and debate of the report, Council recommended the LRT option as its preferred transit investment for Sheppard Avenue east.